

Minutes
DPHHS Rates Commission
August 16, 2006
Capitol Room 152
Helena, Montana

Attendees: Gail Brieze-Zimmer, Kathy Brophy, Lois Steinbeck, James Corrigan, Barb Varnum, Frieda Houser, Janet Whitmoyer, Bob Anderson, Jim Fitzgerald, Jani McCall

Absent: Diana Tavary – Vice Chair, Wayne Hershey, Mary Jean Golden, Representative Christine Kaufmann – Chair, Representative Penny Morgan, Senator Dan Weinberg, Senator John Cobb, Bob Olson

Guest: Dave Thorsen, Twila Costigan, Geoff Birnbaum, Peter Degel, Lynn Jennings, Duane Preshinger, Lisa Thompson

Welcome and Introductions

Bob Anderson – Acting Chair:

As Chairperson Representative Christine Kauffman and Vice Chair Diana Tavary were not present Bob Anderson took over as acting chair. Bob welcomed and thanked the members of the commission and the audience.

Approval of Minutes

Commission Members:

Motion was made to approve minutes and seconded. Minutes are to be approved via email due to no quorum.

Announcement of Three Technical Advisors Added to Commission

Gail Brieze-Zimmer:

Gail announced that three seats were approved by Joan Miles for technical advisors. Joan agreed to allow Jani McCall and Jim Fitzgerald to fill two of those seats.

Shelter Care: Therapeutic Group and Foster Care

Geoff Birnbaum, Executive Director of Youth Homes, Missoula:

Geoff gave a history of the rates system for group and foster care. Group care was originated in the early seventies. It was a movement funded by the Montana Board of Crime Control to deinstitutionalize youth. That program has grown to include today serving children and youth from juvenile court probation, child protective services, and mental health services. The programs were started by grants. It was a system approach with services funded and available. But there was concern about making sure that the providers were responsive so the state started to introduce a fee starting with just foster care payments - the same payments made to foster parents were made to group homes as a supplement and as an incentive to those group homes. When the rates system started it was originally a cost based rate with disparate rates depending on what a provider spent and what services were offered.

He stated that in about the mid 80s the department moved rates from a cost based system to a base rate system with all providers paid by a matrix for basic costs and payments equalize across all providers. Rate was based upon programs running at an occupancy rate of 80% of licensed beds. When the matrix was introduced to the legislature it was negotiated that providers would accepted 78% of base cost. Current rates are now funded and paid at about 60% of actual cost.

Refinancing of social services (now state funded with federal block grants) into the federal Medicaid program occurred in the late 80s and started in the high end with Residential Treatment Centers and then was followed by group care and foster care moved toward therapeutic models. Refinancing had to be rationalized to the federal government and define what was treatment and what was care – care being kept separate and out of Medicaid funding. The state broke it down into 80% for treatment and 20% for care.

Geoff gave a brief history of Medicaid rates for out of home care and providers. The Medicaid rate was flat from the start in the early 90's until such time as the State privatized the system and contracted with what was inevitably Magellan Behavioral Health to manage care. In 1999 the contract was terminated by the legislature and was given back to the state with contracted utilization review with First Health. There was a slight roll back of about 8% in the middle of FY 05 year that lasted for approximately 6 months when rates were returned to the original rate. In the last session there was a 6% rate increase. The federal administration now wants to change the system to reduce federal costs – wanting to eliminate bundled rates and move toward fees for services for very specific items they feel are appropriate for Medicaid funds. This change will shift costs to the States and might threaten funding for community care.

He mentioned five “business” challenges as a provider. There are three big non personnel costs that being property costs, utilities, and insurance. The other two challenges involve wages and benefits.

Geoff stated what he thought was needed from a systematic stand point:

- Balanced funding to address actual needs of Montana children
- A rate system that maintains the state's investment and partnership with the providers
- Providers who need to be willing to partner with the state on its obligations and available funding – live with it and advocate for needs based upon good data and research
- A rate that pays the actual cost of services - others (mostly commercial providers) who do business with the state set their price and the state pays – why are non-profits providing services to Montana's children last in for state funds when we are asked 1st to serve!

Questions and Comments:

It was asked if the commission could get some information on rates and cost of services available to have and look at. Jani stated that she maintains that type of documentation and can put together some current information with the historic piece with it.

It was asked how providers fill the gap of cost. Geoff stated that half of the money they raise fills in the rates that are not paid. Most providers are either raising money or filling in with other services or paying less for staff than many would want to pay and, increasingly, can.

It was asked what the rationale for moving from cost base to base rate system in the 80s. Geoff stated that the state and providers wanted to address the inequities in a system where providers were being penalized for raising money and that many felt, by this manner, the state was taking donor dollars and crediting that in the state budget. They wanted to equalize it and give a fair rate across the board.

Being a Foster and an Adoptive Parent

Twila Costigan, Montana State Foster and Adoptive Parent Association:

Twila gave a brief history of her involvement in foster care and adoptive care. Foster care has had a flat rate for a long time. She went over what is made approximately to take care of a child.

Twila stated that there are two or more types of foster care in the State of Montana. There is kinship, which are people who are either blood related or known to the child. There is specialized rate and they get a higher rate than are provided in regular foster homes. Then the therapeutic rate and there is a higher rate and a lot more requirements put on by the state.

Foster care parents are generally low income, blue collar people with hearts for children. To be a licensed foster parent a person must jump through a lot of hoops. There is a 20 page licensing documentation form to fill out. A person must follow certain regulations and have 18 hours of orientation training and 15 hours of training from then on.

The needs have grown greatly since 1984. The money has not been put into the system so there is a generational cycle of children of past parents are now the parents of the children. The mental health issues are greater than they ever have been because there is no room or a waiting list in group homes. The aggression of foster children has increased as well.

Angie Furlong – Foster parent:

Angie gave a brief history of her involvement as a foster parent. She stated that there is some allowance for child care but only allotted so much. Once that allowance is gone a parent has to use their stipend or personal funds to pay for child care. Some child care providers also have difficulty accepting the state rate due to the low rate per day. If a parent has the child care allowance they cannot receive respite services. This causes problems within couples who have no availability to have personal time. It is hard to be a good parent if there are no breaks.

There are no funds allotted for tutoring. Transportation is another area of difficulty. With fuel prices and insurance it is becoming more difficult. On average it is approximately 50 hours a year outside of work to take care of these children.

Questions and Comments:

It was asked what is received for an each individual stipend and what is received or what is needed to be requested for each individual service. The stipend is around 500 a month depending on the number of days in each month. An extra clothing allowance can be requested which is now only if the child has a substantial growth and must be approved by the worker and the supervisor.

It was asked if a child is not in childcare is the respite services automatic. Angie stated that the parent has to request it. There is a 240 dollar limit for year and it is based on need.

It was asked what the cost of a preschool day is per child. Angie stated that it is 20-21 dollars per day. It was asked what the state daily daycare allowance is and if it is in addition to the stipend. It is in addition and she stated that she guessed that the state pays around 16 per day.

It was the understanding of one of the commission members from the last meeting that clothing allowances were automatically given. Jani stated that in therapeutic homes the stipends are significantly higher and a portion of that is meant to be used for clothing.

Dave Thorsen stated that the daily rates paid do include clothes. The clothing allowance is not automatic. Historically the department has looked at the USDA cost of raising children, which comes out every year. There was a restriction on clothing allowances a couple of years ago due to a budget crunch. That restriction has since been lifted. Clothing allowance expenditures went from \$175,000 in fiscal year 05 to \$400,000 in fiscal year 06. There was a restricted appropriation given for clothing allowance, which was spent.

Lisa Thompson – Foster Parent:

Lisa gave a brief history of her foster parenting. She stated that she deals mostly with infants with high risk difficulties. The stipend is not enough for these high risk things. Stipends are usually received a couple of months after the parent receives the child. Foster parents are asked to be transportation for these children to have visits with the parents/families. If the visiting plan changes the foster parents have very little say in the process. Foster parents need more basic line items available.

She asked that with each decision and rate that the commission looks at they ask if this is the best that can be done for the child and what is the best that can be done to support the foster parents.

She stated that she and Angie have been assisting in teaching to new foster parents and the number of families that drop after finishing the class and experiencing the process.

Questions and Comments:

It was asked if the current fee 325. That was what Lisa last got for the last child she had and that is age appropriate.

Twila:

She stated that the rate of 15.63 would be around 468.90 a month and 18.81 would be around 564.30 for a 30 day month. She stated that she knows money will not make it all better. One of the major focuses that needs to happen is the retention of foster families. There is a lot of time and money training them and then they leave. The numbers of regular foster care families has decreased dramatically over the next decade partially due to using a lot more kinship families but also due to the lack of retention. Foster parents have the same restrictions and requirements as the group homes and cannot always afford the equipment necessary. In the Casey program every family got 100 taxable dollars every month in addition to the monthly stipend for the family to do things. She stated that might be something that the state might want to consider.

Rates Grid Review/Comments

Commission Members:

Some recommendations/comments for the Rates Grid and Rates Methodologies:

- Like these grids
- Make rebasing revenue neutral
- Database
- Differentiation between rate increase and change in methodologies
- What year the methodologies were developed
- What year the methodologies were updated
- What year the rates increased
- Add some history into methodology part
- Children's mental health rates
- Mental Health Center piece be clarified
- More detail

It was suggested that the commission send in their comments and recommendations via email in order to better clarify what is being asked for. There was a due date set for those of the end of August.

Wrap up & Adjourn

Gail stated that she was informed that the commission creates by-laws, which have been created. She asked that the commission look those over and approve or change at next meeting. She stated that there is a report due to the legislature by September 15th. The commission does not meet again until September 27th and she suggested that the commission ask for an extension. Create a synopsis of what the commission has done so far and state when the report will be done. The letter will be drafted by Gail and

approved by the commission via email approval. It will be signed by Chairperson Representative Christine Kauffman.

It was asked that we have prior attendance confirmation from the commission members in order to decipher if it is feasible to have the meeting on that date or reschedule for a better time.

Next meeting agenda items

- Report
- Rates Grid
- By-Laws
- Kevin Quinn – basis of rates
- 10 or 15 year history of percentage of rate increase by provider group
- All provider rate increases that are in current EPP by major provider groups
- Possible brief update on DD rate rebasing